

## **INSTITUTIONS FOR MENTAL DISEASES (IMD) INFORMATION SHEET**

An Institution for Mental Diseases (IMD), defined in the Code of Federal Regulations, (42 CFR 435.1009) as a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care and related services.

Medicaid reimbursement is prohibited for IMD resident from the ages of 21 through 64 years of age [Title XIX of the Social Security Act, Section 1905(a) (24) (B)], even for treatment unrelated to mental illness.

### **History**

State psychiatric hospitals were first created in 1848, when social activist Dorothea Dix successfully lobbied Congress to finance her asylums for the insane -- a humane alternative to the poor houses and jails, characterized by victimization and maltreatment, where the severely mentally ill had previously been abandoned.

In 1854 President Franklin Pierce rejected the creation of a system of federally funded asylums because the public provision of "care and cure" for "human infirmity" was a state responsibility under our federal system of government. As a result, the states were left to build and finance their own hospitals to care for the severely mentally ill.

Congress again addressed the issue of the severely mentally ill in 1963. Rather than strengthen the state hospitals, Congress funded construction of community mental health centers. These centers were to include:

- an emergency psychiatric unit
- inpatient services
- outpatient services
- day and night care
- foster home care
- rehabilitation programs
- general diagnostic and evaluation services

"Institution for Mental Disease" (IMD) as defined in the Medicaid regulations at 42 C.F.R. 435.1009, is an institution of more than sixteen (16) beds that is primarily engaged in providing diagnosis, treatment or care of persons with mental diseases, including medical attention, nursing care and related services. Whether an institution is an institution for mental diseases is determined by its overall character as that of a facility established and maintained primarily for the care and treatment of individuals with mental diseases, whether or not it is licensed as such. Additionally, any one of the following criteria may result in an IMD determination:

- The nursing facility is licensed as a psychiatric facility for the care and treatment of individuals with mental diseases.
- The nursing facility is accredited as a psychiatric facility by the Joint Commission for Accreditation for Health Care Organizations.
- The nursing facility is under the jurisdiction of the State's mental health authority.

- The nursing facility specializes in providing psychiatric/psychological care and treatment as ascertained through a review of residents' records and staff training records.

Sources: 10 C.C.R. 2505-10, Section 8.411.11

The primary criteria for the determination of the IMD status of an institution is that more than fifty percent (50%) patients in the facility have a primary diagnoses of major mental illness as determined by the Level II Pre-Admission Screening and Annual Resident Review (PASRR) process which is verified by the Utilization Review Contractor.

The State has defined the following diagnostic codes contained in the DSM IV as valid for the purpose of determining whether an individual has a "mental disease":

295.10 - 295.90  
296.0 - 296.9  
297.10  
298.9  
300.40  
301.13

DSM IV American Psychiatric Press: Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition; Washington D.C., American Psychiatric Association, 1994